Rs. 25 lakhs as the profit from the sale of locally procured rice. A revised provision of Rs. 130 lakhs under food subsidy is accordingly made in the budget for 1950-51. We have also made representations to the Government of India that as the price of internally produced rice was very high we are entitled to get the subsidy at 75 per cent of the loss on its sale also. The matter is still under negotiation.

13. These increases have been to a great extent counter-balanced by decreases in expenditure under several heads such as Excise, Salt, Police, Medical, Public Health, Food production and Post-war-Reconstruction Schemes. The lump sum provisions made in the budget for the reorganisation of the several departments, could not be fully utilised and this accounts for the savings under many heads. Further, the programme of expenditure under the food Production Department, the Village Uplift Department, and Post-war Reconstruction Schemes, has not made appreciable headway according to original plans.

14. Under Debt Heads, the revised estimate anticipates a net receipt of Rs. 260·94 lakhs against Rs. 145·03 lakhs anticipated in the budget estimate.

15. The total savings expected on account of the various factors will result in an increase of our cash balance to Rs. 317·75 lakhs.

16. The hon'ble Members will be able to see from the above that our adverse cash position in the beginning of the year 1949—50 has changed as a result of better revenue yields and well-controlled expenditure programmes. This has led to a very encouraging cash position. The heavy overdraft accommodation, which we were obliged to obtain from our bankers, has been completely liquidated, leaving a comfortable cash balance with the banks and treasuries, thus enabling the Government to meet their requirements, including heavy payments towards foodgrains without difficulty. An amount of Rs. 2 crores is, however, due to the Government of India towards purchase of foodgrains made before integration and I am now in a position to say that the amounts due to this Government for the current year as our share of the receipts from the Cochin Harbour, Match Excise, and balance of guaranteed reimbursement towards budget gap for 1950—51, will be sufficient to clear about Rs. 150 lakhs of this debt.

Budget Estimate for 1951—52

17. I now turn to the Budget Estimate for the year 1951—52. Before entering into the details I consider it necessary to acquaint the House with a very important change that has been made in the preparation of the Budget. As a necessary corollary to the integration of their finances with the Centre, Part 'B' States are required to prepare their Budgets on the model of the Budgets of the Government of India and Part 'A' States. This change has necessitated the re-grouping of several Minor Heads under the appropriate new Major Heads of account and consequently, we are obliged to prepare the Budget Estimate for the next year separately, without the corresponding actuals for the last completed year and the Revised Estimate for the current year. But for statistical purposes, a subsidiary statement showing the actuals for 1949—50 and the Budget and Revised Estimate for 1950—51, has also been prepared and is presented along with the Budget for the next year. This new procedure may cause some initial difficulty to the hon'ble Members. The Explanatory Memorandum distributed along with the Budget will, I hope, help the hon'ble Members to follow the detailed figures as now presented.

18. The Estimates of Revenue and Expenditure for 1951—52 are given below:—

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[Sri. A. J. John]

	Budget Estimate 1951—52 (Rs. in lakhs)	*Revised Estimate 1950—51 (Rs. in lakhs)*
REVENUE ACCOUNT		
A. Revenue		
(1) Ordinary	1179·64	1112·33
(2) Guaranteed re-imbursement of revenue gap by the Centre	307·57	320·00
Total of 'A'	1487·21	1432·33
B. Expenditure on Revenue Account		
(1) Ordinary expenditure	1366·32	1203·64
(2) Food subsidy	125·00	130·00
(3) Expenditure under Post-war Reconstruction Schemes	85·09	71·84
Deduct Amounts debited to Post-war Reconstruction Fund	(—)85·09	..
Total of 'B'	1491·32	1405·48
C. Surplus or Deficit	(—)4·11	(+)26·85

Salient features of the Budget

19. It is usual to compare the estimate for the coming year under important heads with the rivised estimate for the current year and to give brief explanation for the variations. But I do not propose to do so this time because, as already stated, the major and minor heads of revenue and expenditure have been recast in accordance with the revised budget classifications and so there is no basis for comparing the figures for the ensuing year with those of the current and previous years. I shall, however, detail the salient features of the budget for the coming year.

Changes in the Tax Structure

20. In my speech introducing the Budget for the current year, I state that the question of imposing a uniform system of land tax in Travancore and Cochin had been referred to the Land Committee. Government have decided to extend the scheme of basic tax on land to the Cochin area also. As a result of the intensified collection of arrears the additional revenue expected from Kandukrishi lands and the lease of lands for Grow-more-food in the Devicolam and Peermade Taluks, an increase of about Rs. 10 lakhs under Land Revenue is anticipated during the coming year.

21. It is not proposed to impose any new tax during the year. A slight increase of 12½ per cent. on the existing rate of duty on country arrack is, however, proposed. This measure is expected to yield a revenue of about Rs. 2 lakhs.

Additional Revenue from Existing Sources

22. (*i*) Income-tax (Agricultural Income-tax).

Against an estimate of Rs. 62·5 lakhs anticipated this year, it is expected that about Rs. 30 lakhs only will be actually collected, due to the delay in bifurcating the composite files dealing with both Income-tax and Agricultural Income-tax between the Central Income-tax authorities and State Departments. It is expected that including the arrears for this year, the Revenue under this head for the next year will stand at Rs. 70 lakhs.

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